

SOUTH COLUMBIA BASIN IRRIGATION DISTRICT
Franklin County, Washington
January 1, 1993 Through December 31, 1993

Schedule Of Findings

1. Controls Over Cash Receipts Should Be Improved

During our review of the district's internal controls we noted the following weaknesses:

Procedures:

- Three cashiers are working out of one cash drawer.
- The district's computer system allows edits to cash receipts with no documentation of the edits.

Segregation of Duties:

- Two of the district's cashiers are also billing clerks.

An internal control system consists of the plan of organization, methods, and procedures adopted by management to ensure that resource use is consistent with laws, regulations, and policies; that resources are safeguarded against waste, loss, and misuse; and that reliable data is obtained, maintained, and fairly disclosed in reports.

We recommend the district:

- a. Establish a cash receipt policy that includes:
 - Each cashier prepare their own reconciliation of cash receipts and deposit and place the deposit in separate locked bank bags. Supervisory review of cash/check composition on the deposit slip to receipts should continue with documentation of the review.
- b. Purchase separate cash drawers for each cashier.
- c. Develop an audit trail of all edits to cash receipts. These edits should be printed out daily and reviewed by management.
- d. Reassign employees' duties so billing clerks are not also cashiers.